



The Commonwealth of Massachusetts

The Alcoholic Beverages Control Commission

Leverett Salomonstall Building, Government Center

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TELEPHONE: 727-3040

ANNUAL REPORT

1981

John P. Larkin, Chairman
Herbert N. Goodwin, Commissioner
Fletcher H. Wiley, Commissioner
William J. McCarthy, Executive Secretary

June 30, 1981

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In accordance with the provisions of Section 44 of Chapter 6 of the Massachusetts General Laws, as amended, this is the Annual Report of the Alcoholic Beverages Control Commission dealing with the conduct and condition of traffic in alcoholic beverages in this Commonwealth during Fiscal Year 1981.

The Alcoholic Beverages Control Commission is authorized by Massachusetts General Laws, Chapter 6, Section 43:

"There shall be a commission to be known as the alcoholic beverages control commission, to consist of three members, to be appointed by the Governor. Not more than two members shall be members of the same political party. The Chairman and one Commissioner shall serve terms co-terminous with that of the Governor. One associate commissioner shall serve a four year term as designated by law. The Chairman shall devote his full time during business hours to his official duties..."

and serves within the Executive Office of Consumer Affairs by virtue of Chapter 6A, Section 9, M.G.L.

The offices of this Commission are located in the Leverett Saltonstall Building, 100 Cambridge Street, 22nd Floor in Boston, Massachusetts. This Agency has the complete responsibility of the administration of the business of manufacturing, importing, exporting, storing, transporting and selling alcoholic beverages as defined by M.G.L. Chapter 138, Section 1, and it further supervises the quality, purity and alcoholic content thereof.

The Alcoholic Beverages Control Commission (hereinafter referred to as the ABCC or Commission), is the sole issuing authority for licenses to manufacturers, (distillers, brewers,

wineries, etc.) wholesalers and importers, railroads, airlines, steamships. It is also the sole issuing authority for permits issued for transportation of alcoholic beverages to all licensees, express or trucking companies, steamships, railroads and airlines, as well as permits issued to salesmen employed by manufacturers and wholesalers and importers. This Commission further issues permits to transport alcoholic beverages by retailers from wholesalers and importers.

Local Licensing Authorities are the sole issuing authority for licenses to hotels, restaurant, taverns clubs and package goods stores. However, no such license may be issued without the prior approval of this Commission.

The Commission employs Investigatory staff which is responsible for the overall supervision and investigation of the liquor industry in Massachusetts. Thier functions include, but are not limited to, the inspection and supervision of the over 10,820 holders of alcoholic beverages licenses. More specifically, Investigators interview applicants for new licenses, conduct investigations into the financial status of new applicants; check corporate records of applicants organized under a corporation and check police records. Furthermore, they visit proposed licensed premises to determine if such premises comply with statutes and codes governing licensed establishments. The Investigatory staff is also responsible for the supervision of wholesalers and importers in this Commonwealth for compliance with applicable statutes.

On a regular basis, licensed establishments are inspected and violations, if any, are brought to the attention of the Commission for further action. The Investigators prepare evidence

and reports for appearances before the Commiwwion and when warranted before local licensing authorities and the Courts. Investigators are empowered to carry out orders of the Commission, state statutes and Rules and REgulations of the cities and towns in the Commonwealth as they pertain to the sales and distribution of alcohölic beverages. On a regular basis they audit licensees financial records and advise liecensees and local Boards on matters of law pertaining to Chapter 138, the Liquor Control Act and the Rules and Regulations of this Commission.

The Administrative section of the ABCC is responsible for the issuance of over 10,000 permits and licenses annually. The Commission directly licenses railroads, airlines, ships, manufacturers, wholesalers, brokers and importers of alcoholic beverages. In addition, the Commission issues permits authorizing the transportation of alcoholic beverages by manufacturers, wholesalers, importers, express and trucking companies and also to salesmen and other employees of licensees.

This Commission's Administrative section is further responsible for processing applications for actions at the local level, i.e. change of managers, transfer and pledges of licenses stock, new officers in corporation etc. During this past Fiscal Year the Administrative Section has handled 2,675 such transactions.

Original license issuances:	329
Transfers of licenses:	734
Transfers of location:	132
Changes in described premises, including deletions and extension:	215
New managers:	684
Transfer and pledge of stock:	365

Change of corporate name including business names (d/b/a):	75
Change of classification:	38
Disapprovals:	<u>103</u>
Total:	2,675

The Administrative section further handles inquiries from local Boards, the general public and other governmental Agencies relative to Commission interpretation of statutes. Violation hearings, appeal from local Boards are set up, heard and decisions rendered.

COMMISSIONERS

The Alcoholic Beverages Control Commission is composed of a full time Chairman and two Associate Commissioners who set policy, approve applications and hear violations, disputes and appeals. Presently the Commission is composed of John P. Larkin, Chairman; Herbert N. Goodwin and Fletcher H. Wiley, Associate Commissioners.

The Commission sits as a quasi-judicial body hearing appeals, protests, violations, public hearings, concerning changes in laws, etc.

FINES IN LIEU OF SUSPENSION

Massachusetts General Laws, Chapter 138, Section 23, paragraph 12 permits the licensee to offer to pay a fine in lieu of suspension imposed by this Commission.

The following are the amounts accepted and collected since 1976:

Fiscal Year 1976:	\$ 69,910.64
1977	110,987.00

1978	88,395.00
1979	91,500.00
1980	46,760.77
1981	45,322.49
Total to date:	\$ 452,874.97

DEPARTMENT OF REVENUE - TRANSFER ACTIVITY

In co-operation with the Department of Revenue this Commission routinely holds up its approval of applications from local Boards if outstanding tax obligations are due to the Commonwealth. The close relationship between these two Agencies has resulted in the collection of \$3,950,547.50 since 1976.

Period ending June 30, 1976:	\$ 1,196.000.00
June 30, 1977:	596,944.59
June 30, 1978:	404,436.84
June 30, 1979:	756,130.46
June 30, 1980:	385,246.62
June 30, 1981:	<u>611,789.15</u>
Total to date:	\$ 3,950,547.50

VIOLATIONS APPEALS PROTESTS

During the fiscal year 1981, the Commission held a total of 310 formal hearings. Of this number, approximately 175 were devoted to adjudicating appeals and protests concerning the actions or decisions of local licensing authorities. This is certainly clear evidence that the Commission is exercising necessary corrective action and is steadying the local Boards. It appears both of these measures help stabilize the liquor industry and contribute to the public safety and the interests of the consumer.

Direct action by the Commission is also an important

factor in carrying out its responsibilities to stabilize the liquor industry in Massachusetts, and protect the public safety and the interests of the individual.

The Commission is performing its statutory requirements as evidenced by the fact that 128 of the formal hearings concerned violations of law and regulations that were discovered and documented by its Investigating and management staff. The adjudication of these violations and the publication of same in the Massachusetts Beverage Journal, do correct existing defects and unlawful practices. The liquor industry in Massachusetts is a very tightly knit organization. Word of our Decisions and policy spread throughout the industry like the proverbial wildfire. This Agency gives notice to the liquor industry of both the necessity and wisdom of complying with the laws and regulations governing the beverage alcohol industry and also furnishes guidelines as to what must be done to achieve compliance.

The integrity of the Massachusetts Alcoholic Beverages Control Commission is widely known throughout the liquor industry. We are sought out for advisory opinions from other state liquor Boards and the industry itself. We shall continue to exert maximum effort with the extremely small staff that we have been allocated to efficiently and timely perform our functions and carry out our explicit and implied responsibilities to the people of this Commonwealth.

STATISTICAL ANALYSIS OF VIOLATIONS

APPEALS AND PROTESTS

<u>HEARINGS</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Appeals	159	234	208	183	173	151	
Protests	37	23	17	15	22	18	
Reappeals/Reconsiderations	15	11	7	10	6	8	
Investigatory Hearings	16	18	16	9	3	4	
Disputed Liquor Bills	4	5	7	2	3	5	
Tax Protests	3	12	8	13	10	6	
Public Hearings					2		
Violations	398	398	152	210	106	128	
TOTALS:	632	591	435	442	325	310	

FINANCIAL STATEMENT

Fiscal Year Beginning July 1, 1980 and ending June 30, 1981

Manufacturing - Distiller	1 @ \$5,000	\$ 5,000.
Manufacturing - Farmer's Winery	4 @	132.
Wholesaler and Importer (All Alcoholic)	56 @ 5,000	280,000.
Wholesaler and Importer (Wine and Malt)	32 @ 2,500	80,000.
Wholesaler and Importer (Sacramental Wine)	2 @ 1,000	2,000.
Wholesaler and Importer (Sacramental w/privileges)	1 @ 1,500	1,500.
License to seel alcoholi, mechanical chemical	3 @ 500	1,500.
Agents, Brokers and Solicitors	59 @ 1,000	59,000.
Railroad + 46 cars	1 @ 100 @ 1	146.
Steamship lines duplicates	56 @ 100 3 @ 3	5,607.
Airlines 560 Flights duplicates	12 @ 100 @ 1 3 @ 3	1,769.
Special Permits to Import and sell	262	3,245.23
Storage Permits (Annual)	11 @ 500	5,500.
Storage (Seasonal)	@ 25	----
Bonded Warehouse	6 @ 200	1,200.
Warehousemen	20 @ 10	200.
Express or Trucking Co. Vehicles Duplicates	218 @ 25 5,526 @ 5 3 @ 3	33,089.
Railroad to Transport	1 @ 300	300.
Steamship to Transport	1 @ 300	300.
Airline to transport	@ 300	-----
• Retail Transportation Vehicle Duplicates	3,306 @ 10 5 @ 3	33,075.
Salesmen Duplicates	1,401 @ 15 1 @ 3	21,018.

Certificates of Compliance	819 @ 10	8,190.
Misc. Income		646.
Fines in Lieu of suspension		43,180.97
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TOTAL INCOME		\$ 586,600.20

Statement of Appropriations and Expenditures

Appropriations:

Expenses	\$ 77,800.	
Personnel Services	643,200.	\$721,000.

Expenditures:

For Expenses	67,526.	
For Personnel Services	595,573.	663,099.

Balance Unexpended-Returned to Treasurer and Receiver General		\$ 57,901.
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